



TOM TINDALL
Director

County of Los Angeles INTERNAL SERVICES DEPARTMENT

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"To enrich lives through effective and caring service"

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October 12, 2011

To: Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich, Mayor

From: Tom Tindall *Tom Tindall*
Director

Subject: **RETROACTIVE CONTRACTS ANNUAL REPORT**

In May 2007, the Retroactive Contract Review Committee (RCRC) was established to review any retroactive contract(s) before departments could proceed with placing the item on your Board's agenda for approval. As part of the RCRC review process, departments are required to prepare a report explaining the circumstances that led to the retroactive occurrence, the corrective action measures to be implemented to prevent reoccurrences, and any disciplinary actions imposed. For each retroactive matter, the RCRC provides a final recommendation that must be included in the subsequent Board letter.

As indicated in Attachment I, departments presented three retroactive occurrences to the RCRC involving three contracts totaling approximately \$10 million during Fiscal Year 2010-11. The types of services contracted varied by department. For the most part, the reason for the retroactive situation was attributable to inadequate contract monitoring by the departments, resulting in contracts expiring while services were still being provided by the vendor, or exceeding the maximum contract amount without proper authority.

Proactive Measures

As part of our ongoing efforts to reduce retroactive contracts, the RCRC will continue to work with departments who bring forward retroactive contracts to assess the circumstances that lead to non-compliance and to make recommendations to improve their processes.

Each Supervisor
October 12, 2011
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ISD will continue to report to your Board on an annual basis for retroactive contracts. If you have any questions regarding this memorandum, please contact me at (323) 267-2101.

TT:JS:YY:lg

Attachment

c: Chief Executive Officer
DCEO, Operations
ISD Board Deputies
All Department Heads
Administrative Deputies
Contract Managers

ANNUAL RETROACTIVE CONTRACTS

FISCAL YEAR 2010-11

RCRC MEETING DATE	BOARD AGENDA DATE	DEPARTMENT/PROJECT	NUMBER OF CONTRACTS	RETROACTIVE AMOUNT	Comments
Nov. 22, 2010	Dec. 14, 2010	<ul style="list-style-type: none"> • Fire Department • Avalon Lifeguard/ Paramedics Station Project 	1	\$300,069	Retroactive payments made to AMG & Associates, Inc. for services that exceeded the scope and the amount of the board approved contract.
March 8, 2011	April 19, 2011	<ul style="list-style-type: none"> • Department of Children and Family Services • Family Preservation Services 	1	\$9,717,848	Services continued after contract amount was expended.
Jan. 27, 2011	May 10, 2011	<ul style="list-style-type: none"> • Fire Department /Public Works • Station 71 	1	\$160,672	Retroactive payments made to BOA Architecture Inc. subsequent to expiration of Master Agreement No. 75067.
TOTAL			3	\$10,178,589	